



Moses Kotane Local Municipality

(Demarcation code NW375)

Financial statements
for the year ended 30 June 2014

Moses Kotane Local Municipality

(Demarcation code NW375)

Financial Statements for the year ended 30 June 2014

General Information

Speaker

Diale Ralesole Abram

Mayor

Mokati-Thebe Fetsang

.

Whip

Matshaba M Z

Mayoral committee

Executive Committee

Mokati-Thebe Fetsang (Mayor/Chair Person)

Tshetlhane D (MMC Special project)

Nkotswe N (MMC Communication, Corporate, Human settlement)

Lesele K (MMC WT Potfolio)

Manganye T R (MMC IDP, IGR, PMS)

Mashimo R E (MMC Infrastructure services)

Motshabi C N (MMC LED and rural development)

Kapari LL (MMC Community services)

Setou A (MMC WT Potfolio)

Tlabyane D R (MMC Finance)

VAVA S (MPAC Chair)

Councillors

,

Ndlovu H

Moyo F

Mkhandawiri L

Nhlapo L

Tau D

Moloi N

Ntshabele S

Leoto D

Motshegoa P

Zitha L

Matshereng N

Ramokoka A

Mothhaga R

Masilo J

Letlape A T

Pheto R

Manganye B

Radiokana M

Mekgwe J

Khunou M K

Magodiello A

Pele J

Sekao H

Makgothi T

Lukhele RM

Moeng T

Monnakgotla C T

Monyatsi M

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General Information

	Mokgatlhe M M
	Moraope S
	Lephoto E
	Morua E
	Maretele J
	Motsoenyane Z
	Nondzaba M
	Mashishi S N
	Bili L H
	Matlapeng S S
	Ramapotoka G
	Rasepae III M
	Mngomezulu P
	Sekhu S K
	Moate L
	Selotlego D J
	Moatshe G D
	Thusi B
	Deleki N
	Tshite L M J
Chief Finance Officer (CFO)	Ms LO Ndlovu
Accounting Officer	Ms S R Dince
Registered office	Civic Centre Mogwase 0314
Postal address	Private Bag X 1011 Mogwase 0314
Bankers	ABSA
Auditors	The Auditor General of South Africa
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Published	30 November 2014
Grading of local Authority	4
Contact information	Telephone: (014) 555 1300 Fax : (014) 555 6368 Email : municipalmanager@moseskotane.gov.za

Moses Kotane Local Municipality

(Demarcation code NW375)

Financial Statements for the year ended 30 June 2014

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2015 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is dependent on the grants and services that it renders for the community for a continued funding of operations. The financial statements are prepared on the basis that the municipality is a going concern and that the does not intend to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements. The financial statements have been examined by the municipality's external auditors and their report is presented on page 4.

The financial statements set out on pages 4 to 52, which have been prepared on the going concern basis, were approved by the accounting officer on 29 August 2014 and were signed on its behalf by:

Ms S R Dince
Accounting Officer

Moses Kotane Local Municipality

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Financial Statements for the year ended 30 June 2014

Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Current Assets			
Inventories	6	14,125,797	14,064,258
Consumer debtors	9	103,661,644	96,111,503
Receivables from exchange transactions	7	89,919	361,856
Cash and cash equivalents	10	160,234,587	173,803,352
Receivables from non-exchange transactions	8	12,308,516	7,742,790
		290,420,463	292,083,759
Non-Current Assets			
Property, plant and equipment	3	934,766,801	823,939,474
Other financial assets	5	249,802	224,854
		935,016,603	824,164,328
Total Assets		1,225,437,066	1,116,248,087
Liabilities			
Current Liabilities			
Provisions	13	17,142,245	13,964,050
Payables from exchange transactions	14	67,995,936	57,236,510
Unspent conditional grants and receipts	11	23,575,846	78,568,964
VAT payable	15	25,309,172	8,820,726
Other financial liabilities	12	7,251,260	7,503,900
		141,274,459	166,094,150
Non-Current Liabilities			
Other financial liabilities	12	72,561,294	74,972,946
Provisions	13	15,874,545	14,777,542
		88,435,839	89,750,488
Total Liabilities		229,710,298	255,844,638
Net Assets		995,726,768	860,403,449
Reserves			
Capital replacement reserve		823,536	-
Accumulated surplus		994,903,223	860,403,449
Total Net Assets		995,726,759	860,403,449

Moses Kotane Local Municipality

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Financial Statements for the year ended 30 June 2014

Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
Revenue			
Revenue from exchange transactions			
Service charges	18	87,777,541	76,688,922
Sales of housing stands		39,291	51,155
Interest received		28,001,084	23,595,466
Rental income		5,485	5,597
Other income	20	1,265,502	1,448,754
Total revenue from exchange transactions		117,088,903	101,789,894
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	17	35,786,997	33,594,665
Transfer revenue			
Fines		2,620,200	7,709,050
Government grants & subsidies		405,363,486	371,529,131
Total revenue from non-exchange transactions		443,770,683	412,832,846
Total revenue	16	560,859,586	514,622,740
Expenditure			
Personnel	22	(115,662,031)	(102,986,252)
Remuneration of councillors	23	(18,178,882)	(16,894,858)
Debt impairment	25	(60,070,570)	(48,895,182)
Depreciation and amortisation	27	(59,035,914)	(62,000,647)
Repairs and maintenance		(21,560,546)	(21,441,719)
Finance costs	28	(8,264,991)	(8,632,561)
Bulk purchases	30	(43,480,345)	(40,098,343)
Contracted services	29	(24,526,081)	(20,319,267)
Contribution to provisions	24	(9,834,604)	(12,836,649)
Ward committee's		(2,598,639)	(2,541,536)
General Expenses	21	(75,994,775)	(57,154,924)
Total expenditure		(439,207,378)	(393,801,938)
Operating surplus		121,652,208	120,820,802
Gain on disposal of assets and liabilities		-	463,396
Surplus for the year		121,652,208	121,284,198

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Financial Statements for the year ended 30 June 2014

Statement of Changes in Net Assets

Figures in Rand	Capital replacement reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	-	742,936,775	742,936,775
Adjustments			
Correction of errors	-	(5,269,958)	(5,269,958)
Balance at 01 July 2012 as restated*	-	737,666,817	737,666,817
Changes in net assets			
Other 1	-	1,452,434	1,452,434
Net income (losses) recognised directly in net assets	-	1,452,434	1,452,434
Surplus for the year	-	121,284,198	121,284,198
Total recognised income and expenses for the year	-	122,736,632	122,736,632
Total changes	-	122,736,632	122,736,632
Opening balance as previously reported	-	867,245,601	867,245,601
Adjustments			
Correction of errors	-	(1,452,431)	(1,452,431)
Change in accounting policy	-	7,457,845	7,457,845
Balance at 01 July 2013 as restated*	-	873,251,015	873,251,015
Changes in net assets			
Surplus for the year	-	121,652,208	121,652,208
Cash-backed capital replacement reserve	823,536	-	823,536
Total changes	823,536	121,652,208	122,475,744
Balance at 30 June 2014	823,536	994,903,223	995,726,759

Note(s)

Moses Kotane Local Municipality

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Financial Statements for the year ended 30 June 2014

Cash Flow Statement

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Receipts			
Revenue from non-exchange transactions		24,066,700	20,378,432
Sale of goods and services		93,638,868	55,254,022
Grants		348,315,886	371,529,131
Interest income		28,001,084	23,595,466
Other cash item		-	9,214,553
		494,022,538	479,971,604
Payments			
Employee costs		(133,840,910)	(119,881,110)
Suppliers		(206,604,032)	(181,145,826)
Finance costs		(8,264,991)	(8,632,561)
		(348,709,933)	(309,659,497)
Undefined difference compared to the cash generated from operations note		-	(1)
Net cash flows from operating activities	31	145,312,605	170,312,106
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(25,508,307)	(56,984,007)
Proceeds from sale of property, plant and equipment	3	-	463,411
Increase (decrease) in other financial assets		(24,948)	(13,429)
Correction of error		12,486,553	1,452,432
Amounts attributable to assets under construction		(143,170,376)	(68,791,033)
Net cash flows from investing activities		(156,217,078)	(123,872,626)
Cash flows from financing activities			
Increase in (Repayment of) other financial liabilities		(2,664,292)	(6,780,060)
Net cash flows from financing activities		(2,664,292)	(6,780,060)
Net increase/(decrease) in cash and cash equivalents		(13,568,765)	39,659,420
Cash and cash equivalents at the beginning of the year		173,803,352	134,143,930
Cash and cash equivalents at the end of the year	10	160,234,587	173,803,350

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	78,208,020	(300,000)	77,908,020	87,777,541	9,869,521	
Rental income	-	-	-	5,485	5,485	
Other income 1	40,000	-	40,000	39,291	(709)	
Other income - (rollup)	2,206,000	-	2,206,000	1,265,502	(940,498)	
Interest received - investment	19,600,000	5,200,000	24,800,000	28,001,084	3,201,084	
Total revenue from exchange transactions	100,054,020	4,900,000	104,954,020	117,088,903	12,134,883	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	34,146,416	800,000	34,946,416	35,786,997	840,581	
Government grants & subsidies	262,903,000	(3,795,658)	259,107,342	405,363,486	146,256,144	
Transfer revenue						
Fines	6,700,000	(3,200,000)	3,500,000	2,620,200	(879,800)	
Total revenue from non-exchange transactions	303,749,416	(6,195,658)	297,553,758	443,770,683	146,216,925	
Total revenue	403,803,436	(1,295,658)	402,507,778	560,859,586	158,351,808	
Expenditure						
Personnel	129,378,745	(6,313,890)	123,064,855	(115,662,031)	(238,726,886)	
Remuneration of councillors	18,212,665	(69,128)	18,143,537	(18,178,882)	(36,322,419)	
Provision	(3,645,400)	-	(3,645,400)	(9,834,604)	(6,189,204)	
Depreciation and amortisation	(86,690,854)	-	(86,690,854)	(59,035,914)	27,654,940	
Finance costs	(9,465,484)	-	(9,465,484)	(8,264,991)	1,200,493	
Debt impairment	(46,174,053)	-	(46,174,053)	(60,070,570)	(13,896,517)	
Repairs and maintenance	24,117,300	4,509,500	28,626,800	(21,560,546)	(50,187,346)	
Bulk purchases	(42,510,000)	-	(42,510,000)	(43,480,345)	(970,345)	
Contracted Services	(25,079,000)	-	(25,079,000)	(24,526,081)	552,919	
Cost of housing sold	(4,100,000)	850,000	(3,250,000)	(2,598,639)	651,361	
General Expenses	80,032,351	3,696,387	83,728,738	(75,994,775)	(159,723,513)	
Total expenditure	34,076,270	2,672,869	36,749,139	(439,207,378)	(475,956,517)	
Surplus before taxation	437,879,706	1,377,211	439,256,917	121,652,208	(317,604,709)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	437,879,706	1,377,211	439,256,917	121,652,208	(317,604,709)	

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	2,900,000	-	2,900,000	14,125,797	11,225,797	
Other financial assets	80,236,000	-	80,236,000	-	(80,236,000)	
Receivables from exchange transactions	-	-	-	89,919	89,919	
Receivables from non-exchange transactions	-	-	-	12,308,516	12,308,516	
Consumer debtors	83,256,000	-	83,256,000	103,661,644	20,405,644	
Other asset 1	5,000,000	-	5,000,000	-	(5,000,000)	
Cash and cash equivalents	15,000,000	-	15,000,000	160,234,587	145,234,587	
	186,392,000	-	186,392,000	290,420,463	104,028,463	
Non-Current Assets						
Investment property	11,715,000	-	11,715,000	-	(11,715,000)	
Property, plant and equipment	965,820,000	-	965,820,000	934,766,801	(31,053,199)	
Other financial assets	-	-	-	249,802	249,802	
	977,535,000	-	977,535,000	935,016,603	(42,518,397)	
Total Assets	1,163,927,000	-	1,163,927,000	1,225,437,066	61,510,066	
Liabilities						
Current Liabilities						
Loans from economic entities	9,158,000	-	9,158,000	-	(9,158,000)	
Other financial liabilities	-	-	-	7,251,260	7,251,260	
Payables from exchange transactions	56,960,000	-	56,960,000	67,995,936	11,035,936	
VAT payable	-	-	-	25,309,172	25,309,172	
Unspent conditional grants and receipts	-	-	-	23,575,846	23,575,846	
Provisions	-	-	-	17,142,245	17,142,245	
	66,118,000	-	66,118,000	141,274,459	75,156,459	
Non-Current Liabilities						
Loans from economic entities	82,477,000	-	82,477,000	-	(82,477,000)	
Other financial liabilities	-	-	-	72,561,294	72,561,294	
Provisions	28,567,000	-	28,567,000	15,874,545	(12,692,455)	
	111,044,000	-	111,044,000	88,435,839	(22,608,161)	
Total Liabilities	177,162,000	-	177,162,000	229,710,298	52,548,298	
Net Assets	986,765,000	-	986,765,000	995,726,768	8,961,768	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Capital replacement reserve	-	-	-	823,536	823,536	

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Financial Statements for the year ended 30 June 2014

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Accumulated surplus	986,765,000	-	986,765,000	994,903,223	8,138,223	
Undefined Difference	-	-	-	9	9	
Total Net Assets	986,765,000	-	986,765,000	995,726,759	8,961,759	

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Financial Statements for the year ended 30 June 2014

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2014											
Financial Performance											
Property rates	34,946,416	-	34,946,416	-	-	34,946,416	35,786,997	-	840,581	102 %	102 %
Service charges	77,908,020	-	77,908,020	-	-	77,908,020	87,777,541	-	9,869,521	113 %	113 %
Investment revenue	24,800,000	-	24,800,000	-	-	24,800,000	28,001,084	-	3,201,084	113 %	113 %
Transfers recognised - operational	258,403,000	(1,730,000)	256,673,000	-	-	256,673,000	259,791,071	-	3,118,071	101 %	101 %
Other own revenue	5,746,000	-	5,746,000	-	-	5,746,000	3,930,478	-	(1,815,522)	68 %	68 %
Total revenue (excluding capital transfers and contributions)	401,803,436	(1,730,000)	400,073,436	-	-	400,073,436	415,287,171	-	15,213,735	104 %	103 %
Employee costs	(124,645,867)	2,300,000	(122,345,867)	-	-	(122,345,867)	(115,662,031)	-	6,683,836	95 %	93 %
Remuneration of councillors	(18,143,537)	-	(18,143,537)	-	-	(18,143,537)	(18,178,882)	-	(35,345)	100 %	100 %
Debt impairment	(46,174,053)	-	(46,174,053)	-	-	(46,174,053)	(60,070,570)	-	(13,896,517)	130 %	130 %
Depreciation and asset impairment	(86,690,854)	-	(86,690,854)	-	-	(86,690,854)	(59,035,914)	-	27,654,940	68 %	68 %
Finance charges	(9,465,484)	-	(9,465,484)	-	-	(9,465,484)	(8,264,991)	-	1,200,493	87 %	87 %
Materials and bulk purchases	(42,510,000)	-	(42,510,000)	-	-	(42,510,000)	(43,480,345)	-	(970,345)	102 %	102 %
Other expenditure	(141,012,245)	(3,234,343)	(144,246,588)	-	-	(144,246,588)	(134,514,645)	-	9,731,943	93 %	95 %
Total expenditure	(468,642,040)	(934,343)	(469,576,383)	-	-	(469,576,383)	(439,207,378)	-	30,369,005	94 %	94 %
Surplus/(Deficit)	(66,838,604)	(2,664,343)	(69,502,947)	-	-	(69,502,947)	(23,920,207)	-	45,582,740	34 %	36 %

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Financial Statements for the year ended 30 June 2014

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	4,500,000	(2,065,658)	2,434,342	-		2,434,342	145,572,415		143,138,073	5,980 %	3,235 %
Surplus (Deficit) after capital transfers and contributions	(62,338,604)	(4,730,001)	(67,068,605)	-		(67,068,605)	121,652,208		188,720,813	(181)%	(195)%
Surplus/(Deficit) for the year	(62,338,604)	(4,730,001)	(67,068,605)	-		(67,068,605)	121,652,208		188,720,813	(181)%	(195)%

Moses Kotane Local Municipality

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1. Presentation of Financial Statements

1.1 Basis of preparation

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognized when they occur and are recorded in the financial statements within the period to which they related. Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by an accounting standard.

A summary of significant accounting policies, which have been applied consistently are consistent with those of the previous year financial statements, unless explicitly stated the details of any changes in the accounting policies are explained in the relevant policy

These standards are summarized as follows:

GRAP 1: Presentation of financial statements
GRAP 2: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors
GRAP 4: The effects of changes in foreign exchange transactions
GRAP 5: Borrowing cost
GRAP 6: Consolidated and separate financial statements
GRAP 7: Investments in associates
GRAP 8: Interest in joint ventures
GRAP 9: Revenue from exchange transactions
GRAP 10: Financial reporting in hyperinflationary economies
GRAP 11: Construction contracts
GRAP 12: Inventories GRAP 13: Leases
GRAP 14: Events after reporting date
GRAP 16: Investment property
GRAP 17: Property, plant and equipment
GRAP 19: Provisions, contingent liabilities and contingent assets
GRAP 21: Impairment of non-cash -generating assets
GRAP 23: Revenue from non-exchange transactions (taxes and transfer-)
GRAP 26: Impairment of cash -generating assets
GRAP 100: Non-current assets held for sale and discontinued operations
GRAP 101: Agricultural
GRAP 102: Intangible assets
GRAP 103: Heritage assets
GRAP 104: Financial instrument

Consideration was given to Accounting standards approved but not yet affected the accounting policy. A number of new standard are not yet effective for the year ended 30 June 2014 are presented in note 2 below : GRAP 21 : Impairment of non cash generating assets.

1.2 Going Concern

These annual financial statements have been prepared on the assumption that the Municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1.3 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

After recognition as an asset, an item of property, plant and equipment (Land) whose fair value can be measured reliable shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Infinite
Buildings	10 - 50 years
Infrastructure	15 - 100 years
• Roads	30
• Paving	20
• Electricity	20-30
• Water	15-20
• Sewerage	20-30
• Housing	30
• Building	30
Community	7 - 100 years
• Buildings	30
• Recreational Facilities	20-30

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Accounting Policies

1.3 Property, plant and equipment (continued)

Other property, plant and equipment

• Other vehicles	5
• Office equipment	7
• Computer equipment & software	5
• Specialist vehicles	7
• Security	5
• Furniture and fittings	7
• Bins and containers	5
• Specialized plant and equipment	15
• Other items of plant and equipment	5
• Land fill sites	55
Heritage	Indefinite
Other property, plant and equipment	2 - 10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognized on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Such difference is recognized in surplus or deficit when the item is derecognized.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognized in surplus or deficit when the compensation becomes receivable.

Useful lives of property, Plant and equipment.

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on the pattern in which an asset's future economic benefits or services potential are expected to be consumed by the Municipality.

1.4 Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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Accounting Policies

1.4 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other receivables	Financial asset measured at amortised cost
Other receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalent	Financial asset measured at fairvalue
Other financial assets	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

Cash and cash equivalent

These are initially and subsequently recorded recorded at fair value. For cashflow purposes , cash and cash equivalent includes cash on hand, deposits held at call accounts with banks, other shortterm highly liquid investment with original maturities of three months or less , and overdrafts . These are subject to a significant risk of changes in value.

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Accounting Policies

1.4 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

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Accounting Policies

1.4 Financial instruments (continued)

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

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Accounting Policies

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Any contingent rent is recognized separately as an expense when paid or payable and are not straight-lined over the lease term.

1.6 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. Unsold properties are measured fair value at date of valuation roll

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1.7 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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Accounting Policies

1.7 Impairment of cash-generating assets (continued)

Recognition and measurement (cash-generating unit)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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1.7 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.8 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

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Accounting Policies

1.8 Impairment of non-cash-generating assets (continued)

Identification

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognized immediately.

An impairment loss is recognized immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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Accounting Policies

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

1.11 Revenue from exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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1.11 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Service revenue relating to water are recognized based on consumption. Meters are read on a monthly basis and are recognized as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognized as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognized as revenue in the invoicing period.

Service revenue relating to refuse removal are recognized on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service revenue relating to sewerage and sanitation are based on the number of sewerage connections on each developed property using tariffs approved from Council and are levied monthly.

Service revenue from the application of the approved tariff of charge is recognized when the relevant service is rendered by applying the relevant gazetted tariff.

Revenue from public contributions are recognized when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received, but the municipality has not met the condition, a liability is recognized.

1.12 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

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Accounting Policies

1.12 Revenue from non-exchange transactions (continued)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1.12 Revenue from non-exchange transactions (continued)

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognized when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognized are processed or additional rates revenue is recognized.

Gifts and donations, including goods and services in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind are not recognized.

Recovery of unauthorized, irregular, fruitless and wasteful expenditure

Revenue from recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognized when the recovery thereof from the responsible councilors or officials is virtually certain.

Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognized as revenue to the extent that the municipality has complied with any of the conditions embodied in the agreement. To the extent that the conditions have not been met a liability is recognized.

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets as per accounting policy number 1.7 and 1.8. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1.14 Comparative and budget information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current 2013.

1.14.1 Current year comparatives

The municipality has presented its comparison of budget amounts on a separate sheet called statement of comparison of budget and actual amounts refer page 9 -10 currently presented in accordance with standard of GRAP . The comparison of budget and actual amounts presents separately each level of legislative oversight :

the approved budget and the final budget for the year ending 30 June 2013

the actual amount on a comparable basis,

by way of a note REFER to appendix E an explanation of material difference between the budget which the municipality held it publicly accountable and the actual amount,

1.14.2 Prior period comparatives

When the presentation, or classification of items in the annual financial statements is amended , prior period comparatives amounts are reclassified. The Nature and the reason for the reclassification are disclosed

1.15 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA in relation of the Municipality or Municipal entity ,means -

- (a) Expenditure incurred by the Municipality or Municipal entity in contravention of, or that is not in accordance with, a requirement of this act, and which has not been condoned in terms of section 170;
- (b) Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the remuneration of Public office bearer Act, 1998 (Act No. 20 of 1998); or
- (c) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality 's by law giving effect to such policy , and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which which falls within the definition of unauthorised expenditure. .

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalization of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, the note to the financial statements must be updated to reflect this.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1.16 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Presentation of currency

These financial statements are presented in South African Rand.

1.19 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.20 Related parties

Individuals as well as their close family members, and/or entities are related parties if one of the party has the ability, directly or indirectly to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.21 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

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Accounting Policies

1.21 Heritage assets (continued)

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

1.22 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.23 Capital Commitments

Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources.

Capital commitments are not recognized in the statement of financial position as a liability but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- Contract that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- Other commitments for contracts be non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the municipality.

1.24 TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

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Notes to the Financial Statements

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
• GRAP 25: Employee benefits	01 April 2013
• GRAP 1 (as revised 2012): Presentation of Financial Statements	01 April 2013
• GRAP 3 (as revised 2012): Accounting Policies, Change in Accounting Estimates and Errors	01 April 2013
• GRAP 7 (as revised 2012): Investments in Associates	01 April 2013
• GRAP 9 (as revised 2012): Revenue from Exchange Transactions	01 April 2013
• GRAP 12 (as revised 2012): Inventories	01 April 2013
• GRAP 13 (as revised 2012): Leases	01 April 2013
• GRAP 16 (as revised 2012): Investment Property	01 April 2013
• GRAP 17 (as revised 2012): Property, Plant and Equipment	01 April 2013
• GRAP 27 (as revised 2012): Agriculture (Replaces GRAP 101)	01 April 2013
• GRAP 31 (as revised 2012): Intangible Assets (Replaces GRAP 102)	01 April 2013
• IGRAP16: Intangible assets website costs	01 April 2013
• IGRAP1 (as revised 2012):Applying the probability test on initial recognition of revenue	01 April 2013

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2014 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
• GRAP 105: Transfers of functions between entities under common control	01 April 2014
• GRAP 106: Transfers of functions between entities not under common control	01 April 2014
• GRAP 107: Mergers	01 April 2014
• GRAP 20: Related parties	01 April 2014
• IGRAP 11: Consolidation – Special purpose entities	01 April 2014
• IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2014
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2014
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2014
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2014
• GRAP32: Service Concession Arrangements: Grantor	01 April 2015
• GRAP108: Statutory Receivables	01 April 2015
• IGRAP17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2015

The aggregate impact of the initial application of the statements and interpretations on the municipality's financial statements is expected to be as follows:

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3. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	12,825,149	-	12,825,149	8,423,049	-	8,423,049
Buildings	80,980,345	(9,077,959)	71,902,386	53,045,977	(7,648,672)	45,397,305
Infrastructure	1,451,237,636	(698,193,308)	753,044,328	1,332,532,534	(645,604,024)	686,928,510
Community	102,936,064	(26,178,090)	76,757,974	88,664,888	(22,539,579)	66,125,309
Other property, plant and equipment	56,201,790	(35,978,826)	20,222,964	52,835,854	(35,784,553)	17,051,301
Heritage	14,000	-	14,000	14,000	-	14,000
Total	1,704,194,984	(769,428,183)	934,766,801	1,535,516,302	(711,576,828)	823,939,474

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Under construction	Depreciation	Total
Land	8,423,049	4,402,100	-	-	12,825,149
Buildings	45,397,305	-	27,934,368	(1,429,287)	71,902,386
Infrastructure	686,928,510	9,389,091	109,316,011	(52,589,284)	753,044,328
Community	66,125,309	8,351,179	5,919,997	(3,638,511)	76,757,974
Other property, plant and equipment	17,051,301	3,365,937	-	(194,274)	20,222,964
Heritage	14,000	-	-	-	14,000
	823,939,474	25,508,307	143,170,376	(57,851,356)	934,766,801

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Under construction	Depreciation	Total
Land	8,423,049	-	-	-	-	8,423,049
Buildings	42,199,054	-	-	4,704,623	(1,506,372)	45,397,305
Infrastructure	643,589,947	43,759,332	-	55,285,714	(55,706,483)	686,928,510
Community	53,319,336	7,894,943	-	8,800,696	(3,889,666)	66,125,309
Other property, plant and equipment	12,619,709	5,329,732	(15)	-	(898,125)	17,051,301
Heritage	14,000	-	-	-	-	14,000
	760,165,095	56,984,007	(15)	68,791,033	(62,000,646)	823,939,474

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

4. Heritage assets

5. Other financial assets

At amortised cost

ABSA fixed deposit Terms and conditions	249,802	224,854
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Non-current assets

At amortised cost	249,802	224,854
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6. Inventories

Maintenance Materials - at Cost	2,303,184	2,318,378
Water at Cost	32,213	30,480
Unsold Properties Held for Resale	11,790,400	11,715,400
	14,125,797	14,064,258

7. Receivables from exchange transactions

Sale of Stands Unit 5 Mogwase	89,919	361,856
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8. Receivables from non-exchange transactions

Fines	531,993	822,188
Insurance Claim Mayors Carpet	-	21,020
Fraud Cases	178,192	287,148
Other receivables from non-exchange revenue	11,598,331	6,612,434
	12,308,516	7,742,790

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Figures in Rand	2014	2013
9. Consumer debtors		
Gross balances		
Rates	73,944,871	62,115,618
Water	118,162,760	73,496,144
Sanitation	7,668,960	6,070,547
Refuse	21,807,232	14,340,021
Water consumption from last reading until 30 June 2013/2014	6,325,379	4,724,815
	227,909,202	160,747,145
Less: Allowance for impairment		
Rates	(24,606,736)	(28,031,078)
Water	(83,828,520)	(26,968,905)
Sanitation	(2,918,547)	(2,832,751)
Refuse	(12,893,755)	(6,802,908)
	(124,247,558)	(64,635,642)
Net balance		
Rates	49,338,135	34,084,540
Water	34,334,240	46,527,239
Sanitation	4,750,413	3,237,796
Refuse	8,913,477	7,537,113
Water consumption from last reading until 30 June 2013/2014	6,325,379	4,724,815
	103,661,644	96,111,503
Rates		
Current (0 -30 days)	5,343,111	5,952,797
31 - 60 days	2,102,530	2,312,160
61 - 90 days	1,579,549	1,829,683
91 - 120 days	1,463,647	1,129,913
121 - 365 days	63,456,033	50,891,065
Less Provision	(24,606,735)	(28,031,078)
	49,338,135	34,084,540
Water		
Current (0 -30 days)	11,668,102	11,486,036
31 - 60 days	7,119,524	6,905,300
61 - 90 days	5,905,241	5,055,045
91 - 120 days	5,691,590	4,635,138
121 > 365 days	87,778,303	45,414,625
Less Provision	(83,828,520)	(26,968,905)
	34,334,240	46,527,239
Sanitation		
Current (0 -30 days)	372,345	280,520
31 - 60 days	332,887	254,967
61 - 90 days	256,645	277,948
91 - 120 days	357,334	204,775
121 - 365 days	6,349,749	5,052,337
> 365 days	(2,918,547)	(2,832,751)
	4,750,413	3,237,796

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Figures in Rand	2014	2013
9. Consumer debtors (continued)		
Refuse		
Current (0 -30 days)	687,672	571,457
31 - 60 days	677,368	577,037
61 - 90 days	665,438	566,470
91 - 120 days	1,002,871	555,462
121 > 365 days	18,773,884	12,069,595
Less Provision	(12,893,756)	(6,802,908)
	8,913,477	7,537,113
Water consumption from last readings		
Current (0 -30 days)	6,325,379	4,724,815
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	23,687,355	13,356,002
31 - 60 days	6,117,376	5,268,009
61 - 90 days	5,494,190	5,157,520
91 - 120 days	5,251,980	4,613,729
121 > 365 days	98,059,904	51,852,911
	138,610,805	80,248,171
Less: Allowance for impairment	(124,247,558)	(64,635,642)
	14,363,247	15,612,529
Industrial/ commercial		
Current (0 -30 days)	8,650,662	9,213,356
31 - 60 days	2,997,599	4,569,531
61 - 90 days	1,761,243	2,362,593
91 - 120 days	1,791,315	1,775,117
121 > 365 days	65,335,917	56,149,092
	80,536,736	74,069,689
National and provincial government		
Current (0 -30 days)	889,993	446,267
31 - 60 days	781,402	211,924
61 - 90 days	753,055	209,033
91 - 120 days	536,989	136,442
121 > 365 days	5,713,203	5,425,619
	8,674,642	6,429,285
Total		
Current (0 -30 days)	33,315,030	23,015,625
31 - 60 days	9,896,377	10,049,464
61 - 90 days	8,008,488	7,729,146
91 - 120 days	7,580,284	6,525,288
121 > 365 days	169,109,024	113,427,622
	227,909,203	160,747,145
Less: Allowance for impairment	(124,247,559)	(64,635,642)
	103,661,644	96,111,503
Less: Allowance for impairment		
121 - 365 days	(124,247,558)	(64,635,642)

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Financial Statements for the year ended 30 June 2014

Notes to the Financial Statements

Figures in Rand	2014	2013
9. Consumer debtors (continued)		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(64,635,642)	(90,618,778)
Contributions to allowance	(60,070,570)	(48,895,182)
Debt impairment written off against allowance	458,654	74,878,318
	(124,247,558)	(64,635,642)

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	20,000	2,310
Bank balances	12,765,826	2,576,036
Call investment deposits	147,448,761	171,225,006
	160,234,587	173,803,352

Securities held at ABSA.

The Municipality have a special notarial bond dated 10/12/2012 on the movable equipment. There is also unlimited cession dated 23/11/2001 of income streams . First CCMB dated 27/06/2007 for R1520 000 over stand 739 Mogwase Unit 2.

Contract debtors were pledged as security for overdraft facilities of - (2013: -) of the municipality. At year end the overdraft amounted to - (2013: -).

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2014	30 June 2013	30 June 2012	30 June 2014	30 June 2013	30 June 2012
ABSA Rustenburg Branch- Account Number 405 041 4471	11,902,659	18,818,850	1,579,795	11,775,068	1,960,880	1,065,017
Capital Replacement Reserve	18,105,823	-	-	18,105,823	-	-
Housing account - Account Type - 405 921 9109	782,441	440,841	552,994	782,441	440,842	552,944
Traffic account - Account Number - 407 011 8019	208,317	189,619	243,997	208,317	174,315	243,997
Petty Cash	-	-	-	20,000	2,310	2,310
ABSA BANK - Account Type - 90 5777 9477	75,719,605	41,568,607	25,618,115	75,719,609	41,568,609	25,618,115
Housing call account - Account number - 40 6782 2645	9,021	8,700	8,396	9,021	8,700	8,369
ABSA BANK - Account number - 40 6677 8588	48,756,665	116,397,196	96,627,895	48,975,665	116,397,196	92,627,895
MIG call account - Account number - 40 6723 1195	4,451,806	13,070,318	12,459,058	4,451,806	13,070,317	12,459,057
Call Civic Centre- Account number - 40 7270 1220	186,841	180,184	1,556,199	186,841	180,185	1,566,199
Total	160,123,178	190,674,315	138,646,449	160,234,591	173,803,354	134,143,903

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Financial Statements for the year ended 30 June 2014

Notes to the Financial Statements

Figures in Rand	2014	2013
11. Unspent conditional grants and receipts		
Conditional Grants from other spheres of Government		
Unspent conditional grants and receipts		
MIG grants	23,259,161	76,131,575
Mogwase Library Grant	258,300	-
Mogwase Library	58,385	495,246
EDMS	-	1,729,650
Disaster Grant	-	212,493
Total contribution grants and receipts	23,575,846	78,568,964
Movement during the year		
Balance at the beginning of the year	78,568,964	93,492,095
Additions during the year	(54,993,118)	(14,923,131)
	23,575,846	78,568,964
<p>The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and</p> <p>Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.</p> <p>See note for reconciliation of grants from National/Provincial Government.</p> <p>These amounts are invested in a ring-fenced investment until utilised.</p>		
12. Other financial liabilities		
At amortised cost		
ABSA annuity loan	16,733,329	14,602,945
Terms and conditions		
INCA annuity loan	27,595,826	30,148,741
Terms and conditions		
DBSA annuity loan	35,483,399	37,725,160
Terms and conditions		
	79,812,554	82,476,846
Total other financial liabilities	79,812,554	82,476,846
Non-current liabilities		
At amortised cost	72,561,294	74,972,946
Current liabilities		
At amortised cost	7,251,260	7,503,900

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13. Provisions

Reconciliation of provisions - 2014

	Opening Balance	Additions	Total
Provision of land fill sites	28,741,592	4,275,198	33,016,790

Reconciliation of provisions - 2013

	Opening Balance	Additions	Total
Landfill site short term portion	26,986,427	1,755,165	28,741,592
Non-current liabilities		15,874,545	14,777,542
Current liabilities		17,142,245	13,964,050
		33,016,790	28,741,592

The provision for long accumulated leave of employees of the council is based on the actual leave days available at the reporting date calculated on the annual package of each employee.

The provision for long service award is determined according to the stipulations of the SALGBC.

14. Payables from exchange transactions

Trade payables	35,047,948	32,509,986
Payments received in advanced	13,729,075	5,439,426
Retention	14,929,661	11,229,827
Housing	2,103,353	-
Suspense money withheld(Civil Contract)	-	4,292,800
Housing-PHP	787,017	441,408
Other payables suspense	1,398,882	3,323,063
	67,995,936	57,236,510

15. VAT

VAT payable	25,309,172	8,820,726
-------------	------------	-----------

16. Revenue

Service charges	87,777,541	76,688,922
Rental income	5,485	5,597
Sale of stands / land	39,291	51,155
Other income - (rollup)	1,265,502	1,448,754
Interest received - investment	28,001,084	23,595,466
Property rates	35,786,997	33,594,665
Government grants & subsidies	405,363,486	371,529,131
Fines	2,620,200	7,709,050
	560,859,586	514,622,740

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Figures in Rand	2014	2013
16. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	87,777,541	76,688,922
Rental income	5,485	5,597
Sale of stands / land	39,291	51,155
Other income - (rollup)	1,265,502	1,448,754
Interest received - investment	28,001,084	23,595,466
	117,088,903	101,789,894
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	35,786,997	33,594,665
Transfer revenue		
Government grants & subsidies	405,363,486	371,529,131
Fines	2,620,200	7,709,050
	443,770,683	412,832,846
17. Property rates		
Rates received		
Residential	465,771	1,211,831
Commercial	5,078,888	4,902,520
State	5,891,657	4,539,257
Property rates - Game lodge & holiday resorts	22,792,497	21,453,997
Property rates - mining	1,558,184	1,487,060
Total property rates	35,786,997	33,594,665
Valuations		
Residential	928,732,500	920,918,100
Commercial	251,673,100	888,893,000
Industrial	27,936,200	28,957,300
State	138,352,700	96,982,700
Churches	11,442,000	11,442,000
Other Holiday Resorts	178,590,000	178,590,000
Sun City	535,850,000	535,850,000
Municipal	95,603,600	97,591,600
Farms and tribal land	1,584,258,800	1,516,184,100
	3,752,438,900	4,275,408,800
18. Service charges		
Sale of water	79,548,409	69,289,795
Sewerage and sanitation charges	2,757,279	2,622,852
Refuse removal	5,471,853	4,776,275
	87,777,541	76,688,922

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Notes to the Financial Statements

Figures in Rand	2014	2013
19. Government grants and subsidies		
Operating grants		
Equitable share	248,276,650	228,799,000
Finance Management Grant	1,550,000	1,500,000
Expanded Public Works Programme Grant	2,386,000	1,949,581
DWA Operating and Maintenance Grant	5,897,367	11,341,000
Municipal Systems Improvement Grant	890,000	1,000,000
Provincial Infrastructure Grant	578,561	400,000
Disaster Management Awareness	212,493	87,507
	259,791,071	245,077,088
Capital grants		
Municipal Infrastructure Grant	144,275,841	125,635,334
Project Management Unit	1,296,574	816,709
	145,572,415	126,452,043
	405,363,486	371,529,131

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	10,480,193	142,730,131
Unconditional grants received	248,276,650	228,799,000
	258,756,843	371,529,131

MIG Grant

Balance unspent at beginning of year	76,131,575	91,698,192
Current-year receipts	92,700,000	123,800,000
Conditions met - transferred to revenue	(145,572,414)	(123,366,617)
Withheld	-	(16,000,000)
	23,259,161	76,131,575

Conditions still to be met - remain liabilities (see note 11).

Provide explanations of conditions still to be met and other relevant information.

Drought relief

Balance unspent at beginning of year	-	439,487
Conditions met - transferred to revenue	-	(439,487)
	-	-

Conditions still to be met - remain liabilities (see note 11).

Provide explanations of conditions still to be met and other relevant information.

Expanded Public Works Grant

Balance unspent at beginning of year	-	483,581
Current-year receipts	2,386,000	1,466,000
Conditions met - transferred to revenue	(2,386,000)	(1,949,581)
	-	-

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Financial Statements for the year ended 30 June 2014

Notes to the Financial Statements

Figures in Rand	2014	2013
19. Government grants and subsidies (continued)		
Conditions still to be met - remain liabilities (see note 11).		
Provide explanations of conditions still to be met and other relevant information.		
Mogwase Library Grant		
Balance unspent at beginning of year	-	229,065
Current-year receipts	-	400,000
Conditions met - transferred to revenue	-	(629,065)
Other	258,300	-
	258,300	-
Conditions still to be met - remain liabilities (see note 11).		
Provide explanations of conditions still to be met and other relevant information.		
Provincial Infrastructure Grant		
Balance unspent at beginning of year	-	146,524
Conditions met - transferred to revenue	-	(146,524)
	-	-
Conditions still to be met - remain liabilities (see note 11).		
Provide explanations of conditions still to be met and other relevant information.		
Municipal System improvement Grant		
Current-year receipts	(890,000)	(1,000,000)
Conditions met - transferred to revenue	890,000	1,000,000
	-	-
Conditions still to be met - remain liabilities (see note 11).		
Provide explanations of conditions still to be met and other relevant information.		
Finance Management Grant		
Current-year receipts	(1,550,000)	(1,500,000)
Conditions met - transferred to revenue	1,550,000	1,500,000
	-	-
Conditions still to be met - remain liabilities (see note 11).		
Provide explanations of conditions still to be met and other relevant information.		
DWA Operating Grant		
Current-year receipts	(5,300,000)	11,341,000
Conditions met - transferred to revenue	5,300,000	-
Other	-	(11,341,000)
	-	-
Conditions still to be met - remain liabilities (see note 11).		

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19. Government grants and subsidies (continued)

Provide explanations of conditions still to be met and other relevant information.

EDMS

Balance unspent at beginning of year	1,729,650	-
Current-year receipts	(1,729,650)	4,000,000
Conditions met - transferred to revenue	-	(2,270,350)
	-	1,729,650

Conditions still to be met - remain liabilities (see note 11).

Provide explanations of conditions still to be met and other relevant information.

Disaster Management grant

Balance unspent at beginning of year	212,493	-
Current-year receipts	-	300,000
Conditions met - transferred to revenue	(212,493)	(87,507)
	-	212,493

Conditions still to be met - remain liabilities (see note 11).

Provide explanations of conditions still to be met and other relevant information.

20. Other income

Advertising	64,934	99,763
Building inspection plan fees	181,969	147,273
Burial fees	17,179	16,936
Clearance certificate	7,251	4,761
Water connection fees	52,315	54,030
Sundry income	56,444	63,080
Tender document sales	340,000	273,200
Refund LGSETA	186,677	567,792
Surplus on inventory	41,845	117,807
Property transfer fees	314,832	95,710
Photo copies	264	6,644
Blocked drains	1,405	1,412
Valuation certificates	387	346
	1,265,502	1,448,754

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Notes to the Financial Statements

Figures in Rand	2014	2013
21. General expenses		
Accounting fees	2,445,503	2,184,157
Advertising	925,534	766,163
Bank charges	99,014	102,510
Consulting and professional fees	7,286,963	4,285,406
Consumables	240,686	123,497
Entertainment	679,896	359,951
Gifts	-	2,830
Insurance	225,975	215,096
Community development and training	199,378	1,211
Conferences and seminars	1,482,713	767,026
Incorporation costs	407,488	195,968
Fleet	7,953,106	6,597,493
Horticulture	119,240	457,934
Magazines, books and periodicals	17,902	8,944
Medical expenses	89,857	563
Packaging	1,490,492	592,306
Pest control	1,158,544	1,225,768
Placement fees	619,362	47,297
Postage and courier	97,150	87,544
Printing and stationery	3,294,388	3,260,105
Promotions	168,460	143,359
Protective clothing	572,430	684,376
Project maintenance costs	367,033	21,039
Secretarial fees	147,824	200,000
Software expenses	6,816,054	2,954,162
Subscriptions and membership fees	1,404,133	871,324
Telephone and fax	5,956,667	4,669,157
Training	2,289,786	1,569,268
Travel - local	1,886,238	1,912,481
Electricity	8,850,484	7,200,635
Water	-	294,916
Grants expenditure	5,776,003	4,823,222
Refreshments	2,426,248	640,702
Compilation of valuation roll	141,593	467,764
Quality control	162,022	48,179
Veterinary department	-	311,686
Venue expenses	66,953	804,471
Billing charges	157,030	141,321
Chemicals	220,095	545,871
Hostel charges	98,225	9,819
Other expenses	9,605,190	7,559,403
Farming only	49,116	-
	75,994,775	57,154,924

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Figures in Rand	2014	2013
22. Employee related costs		
Employee related costs - salaries and wages	81,074,332	73,086,053
Bonus	6,886	-
Employee related costs - contribution for UIF, pension and medical aids	20,620,479	18,165,824
UIF	19,377	-
Travel, motor car, accommodation, subsistence and other allowances	8,803,301	7,904,645
Overtime payments	4,871,218	3,510,420
Housing benefits and allowances	266,438	319,310
	115,662,031	102,986,252
Remuneration of municipal manager		
Annual Remuneration	952,762	881,331
Car Allowance	167,947	167,948
Contributions to UIF, Medical and Pension Funds	20,476	18,848
Other-Paid	(1,141,185)	(1,068,127)
	-	-
Remuneration of chief finance officer		
Annual Remuneration	798,229	489,480
Car Allowance	64,263	36,750
Contributions to UIF, Medical and Pension Funds	169,270	2,733
Other-Paid	(1,031,762)	(528,963)
	-	-
Remuneration of technical service executive director		
Annual Remuneration	440,557	612,827
Car Allowance	52,000	78,000
Contributions to UIF, Medical and Pension Funds	98,163	-
	590,720	690,827
Remuneration of corporate services executive director		
Annual Remuneration	711,183	434,543
Car Allowance	60,000	41,000
Contributions to UIF, Medical and Pension Funds	144,897	39,404
	916,080	514,947
Remuneration of community services executive director		
Annual Remuneration	657,271	718,389
Contributions to UIF, Medical and Pension Funds	1,383	121,653
	658,654	840,042
Remuneration of strategic management executive director		
Annual Remuneration	713,746	468,325
Car Allowance	72,000	54,000
Contributions to UIF, Medical and Pension Funds	130,335	85,949
	916,081	608,274

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Notes to the Financial Statements

Figures in Rand	2014	2013
23. Remuneration of councillors		
Mayor's allowance	428,876	407,630
Single Whip	317,901	309,937
Executive Committee Member's allowance	3,233,555	3,011,972
Single Whip	355,122	338,341
Pension fund contribution	1,523,663	1,470,207
Medical Aid contribution	477,818	301,577
Travelling allowance	4,173,453	3,960,437
Councillor's allowance	6,179,797	6,031,417
Telephone	1,488,697	1,063,340
	18,178,882	16,894,858
24. Provisions		
Administration and management fees - third party	9,834,604	12,836,649
25. Debt impairment		
Debt impairment	60,070,570	48,895,182
26. Interest received		
Interest revenue		
Investments	10,050,301	11,621,402
Bank	380,590	165,580
Interest charged on trade and other receivables	17,570,193	11,808,484
	28,001,084	23,595,466
The amount included in Investment revenue arising from exchange transactions amounted to -.		
The amount included in Investment revenue arising from non-exchange transactions amounted to -.		
Total interest income, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to Rxxx (PY: Rxxx).		
27. Depreciation and amortisation		
Property, plant and equipment	59,035,914	62,000,647
28. Finance costs		
Non-current borrowings	8,264,991	8,632,561
29. Contracted services		
Refuse removal	24,526,081	20,319,267
30. Bulk purchases		
Water	43,480,345	40,098,343

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Figures in Rand	2014	2013
31. Cash generated from operations		
Surplus	121,652,208	121,284,198
Adjustments for:		
Depreciation and amortisation	59,035,914	62,000,647
Loss on sale of assets and liabilities	-	(463,396)
Debt impairment	60,070,570	48,895,182
Movements in provisions	4,275,198	1,755,165
Changes in working capital:		
Inventories	(61,539)	490,259
Receivables from exchange transactions	271,937	-
Consumer debtors	(67,620,711)	(59,282,809)
Other receivables from non-exchange transactions	(4,565,726)	(6,837,139)
Payables from exchange transactions	10,759,426	24,473,653
VAT	16,488,446	(7,080,523)
Unspent conditional grants and receipts	(54,993,118)	(14,923,131)
	145,312,605	170,312,106

32. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Infrastructure	49,100,255	1,139,353
• Community assets	16,588,061	69,641,433
• Other	-	18,373,506
	65,688,316	89,154,292

Not yet contracted for and authorised by accounting officer

• Infrastructure	85,518,479	111,041,000
• Community assets	7,489,942	9,000,000
• Other	47,978,588	6,400,000
	140,987,009	126,441,000

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	-	905,776
- in second to fifth year inclusive	-	1,636,756
	-	2,542,532

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

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33. Contingencies

1. Litigation is in the process against the municipality where **Fencercor** who was a subcontractor is suing the municipality for a claim of **R2 842 111.00** flowing from a cession between the main contractor, therefore the municipality is not liable for the amount in question.
2. Litigation is in the process against the municipality relating to a Subcontractor **R & T Developer** who is suing the municipality an amount **R4 515 768.23** flowing from a direct payment or cession between the main contractor **R & T** and the the municipality .The municipality 's lawyer and management considers the likelihood of the action against the municipality being successful as likely ,based on the main contractor contention that R & T is misrepresenting the true facts.
3. Litigation is in the process against the municipality relating to a **Motorist** who sued the municipality for compensation of pain and suffering when the train hit him for an amount of **R5 000 000**. The Municipality's lawyer and management considers the likelihood of the action against the municipality as successful since the case has been finalised and no further action has been taken.
- 4 Litigation is in the process against the municipality relating to a payment of **R549 000** which the company **Duro Processing** is claiming as an outstanding balance due to them. There was a direct agreement between the contractor **Promptique Ramnatjobe JV** and the Supplier. The municipality's lawyers and magement considers the likelihood against the municipality being unknwon at this stage.
5. Litigation is in the process against the municipality relating to an accident between the municipal vehicle and the taxi of **Mr Gaanakgomo** which led the taxi to be written off. Mr Gaanakgomo is claiming for the loss of income equivalent to the value of **R1 050 000**. The matter has been referref to the insurance of the municipality and no response has been resolved to date and consequently no legal action has been perused at this moment.
6. Litigation is in the process against the municipality relating to a claim by **NWDC** for an amount of **R18 000 000** which has been submitted as a counter claim to delay the municipal claim for the rates and taxes. The municipality's lawyers and management considers the likelihood of the action against the municipality being unsuccessful as it considers NWDC claim as a delay tactics against the municipal claim.
7. **Heurs Wholesale** nursery is claiming an amount of **R55 565** which were purchased through a verbal agreement with the Nursery by the former Municipal Manager. No legal action has been taken.
8. **Tyzer T Security** Services is claiming an amount of **R150 259** for assisting during community protests in Madikwe.
9. **Human Settlements** is claiming an amount of **R53 675 894** back from the municipality for PHP houses that were built in areas where the money was not allocated to.
10. On the 21st of Aprill 2010 SALGA signed the categorisation and the job evaluation wage curve agreement (wage curf agreement) with IMATU and SAMWU on behalf of the municipalities. The agreement established the wage curf and the wage scales to be used by the municipality and determining the wages of municipal employees, based on the evaluation of employee jobs per task job evaluation system. The job evaluation process of the municipality has not been finalised and therefore the financial implication of the new wage curf agreement cannot be evaluated and estimated.
11. A public member sued the **municipal traffic inspector(Mr Molefe)** for assault for an amount of **R100 000** and he won the case. the municipality is negotiation the settlement offer of R30 000 which has not yet been accepted.
12. **Ingwe Makgadi** is suing the Municipality for an amount of R3 626 469.08 unpaid management fees for the month of January 2013 to March 2013 when the municipality took over the payment of the entrepreneurs. in addition the service provider alledges that the municipality extended the contractual terms as well as deduction for the poor services. The matter has been referred to the arbitration at the Abitration Foundation of South Africa
13. **Mogwase Hardware** is claiming an amount of **R16 000** for invoices not paid . They have not yet instituted the legal claim.
14. **New Gordonia** a contractor who was appointed for water reticulation in Kameelboom and Ramoshibitswana village is claiming an amoiunt of **R 427 374.47** for short payment made made by the Municipality. The matter has been referred to PMU of further investigation. No legal action has been taken against the municipality yet.

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33. Contingencies (continued)

15. Sixteen Head of Units of the Municipality wants to be parited with the Head of Unit in the Budget and Treasury Department. At this stage the value of the disparity is equivalent to **R4 854 960**. The municipality has referred the matter for job evaluation. No legal action has been instituted against the municipality yet. .

16. Mr Mekgwe , a previous convicted employee is claiming an amount of **R 28 000**. for loss of income.

17. Former Water Board employees both **Bosthelo and Magalies** are claiming for an alleged withdrawal of benefits on their salaries. The cost of the benefits are unknown since the municipality is claiming that no benefits were withdrawn. Municipality is still under negotiation before it can be handed over to the Arbitration.

18. Wenhaus is claiming an amount of **R 233 308.47** interest inclusive for an outstanding amount from Mogwase waste disposal Site. The case is still under internal investigation. The Contractor alleges that summons has issued against the Municipality but same has not yet been received.

Contingent assets

The municipality is claiming an amount of R240 929 from Ranamane Phungo which was erroneously paid by the municipality instead of paying to the account of Mr Phungo who was no longer practicing as Ranamane Phungo.

34. Prior period errors

Property, Plant and Equipment were depreciated at the tax rates. The useful lives and residual values were not appropriately considered. (Give the nature of the error.) The correction of the errors results in the adjustments as follows.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Adjustment on Provision on landfill sites	-	83,746,444
Lotto donation paid to a woman	-	750,704
Adjustments on VAT not approved by SARS	12,329,806	564,464
Interest paid by attorney regarding claim for highmast light in Unit 8 Mogwase	-	250,000
Selling of debtors in Unit 8 Mogwase	-	(6,443,407)
Adjustment on salaries	-	128,517
Adjustment on payments made	-	1,656,847
Adjustments on previous years expenditure	2,118,132	227,158
Adjustments on fair value of movable assets	-	(13,995)
Adjustments on interest on external loan from ABSA	-	111,804
Adjustments on unsold properties	-	(198,800)
Adjustments on community assets	-	155,000
Adjustments on assets values and depreciation	-	(292,978)
Creditors	8,363,464	-
Assessment rates receipts	(29,474,316)	-
other receipts	(6,184,653)	-
	(12,847,567)	80,641,758

Current year adjustments

Purchase of assets from income and grants	-	(1,353,492)
Adjustment on water levels	-	29,608
Adjustment on debtors payment in advance	-	(128,547)
Total	-	(1,452,431)
Total Adjustments	-	3,817,527
	-	912,665

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Figures in Rand	2014	2013
35. Risk management		
Liquidity risk		
Financial assets exposed to credit risk at year end were as follows:		
Financial instrument	2014	2013
Consumer debtors	103,576,195	96,111,503
Receivable from exchange transactions	3,733,506	361,856
Receivables from non exchange transactions	-	10,246,026
Cash and cash equivalents	160,484,389	173,803,354
36. Going concern		
We draw attention to the fact that at 30 June 2014, the municipality had accumulated surplus of 994,903,223 and that the municipality's total liabilities exceed its assets by 995,726,759.		
The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.		
The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality and that the subordination agreement referred to in note XX of these financial statements will remain in force for so long as it takes to restore the solvency of the municipality.		
37. Unauthorised expenditure		
38. Fruitless and wasteful expenditure		
Fruitless and wasteful expenditure	7,077,644	7,102,126
Current year	2,987,842	279,025
Other 2	-	(303,507)
	10,065,486	7,077,644
39. Irregular expenditure		
Opening balance	204,555,250	99,830,216
Add: Irregular Expenditure - current year	20,108,253	108,077,478
Less: Amounts condoned	-	(3,352,444)
Less: Amounts recoverable (not condoned)	-	-
	224,663,503	204,555,250
40. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	1,394,129	866,320
Amount paid - current year	(1,394,129)	(866,320)
	-	-
Audit fees		
Current year subscription / fee	2,634,291	2,184,157
Amount paid - current year	-	(2,184,157)
	2,634,291	-

Moses Kotane Local Municipality

(Demarcation code NW375)

Financial Statements for the year ended 30 June 2014

Notes to the Financial Statements

Figures in Rand	2014	2013
40. Additional disclosure in terms of Municipal Finance Management Act (continued)		
PAYE and UIF		
Current year subscription / fee	-	17,862,747
Amount paid - current year	-	(17,862,747)
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	20,479,543	28,444,465
Amount paid - current year	(20,479,543)	(28,444,465)
	-	-
VAT		
VAT payable	25,309,172	8,820,726

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2014:

30 June 2014	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor M Nondzaba	878	21,542	22,420
Councillor J Maretele	566	13,668	14,234
Councillor S Motlhaga	1,340	4,561	5,901
Councillor J Setou	323	7,017	7,340
Councillor K Motshegoa	565	1,805	2,370
Councillor L M Ntshite	639	8,491	9,130
Councillor C Motshabi	292	2,278	2,570
Councillor J Selotlego	110	1,029	1,139
Councillor M Monyatsi	486	5,908	6,394
	5,199	66,299	71,498
30 June 2013			
	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor M Nondzaba	908	11,925	12,833
Councillor J Maretele	686	10,472	11,158
Councillor S Motlhaga	1,798	834	2,632
Councillor J Setou	430	6,450	6,880
	3,822	29,681	33,503

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Moses Kotane Local Municipality

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Financial Statements for the year ended 30 June 2014

Notes to the Financial Statements

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2013

40. Additional disclosure in terms of Municipal Finance Management Act (continued)

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

41. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the financial statements.

In line with regulation 36 of the Municipal supply chain management the Municipality has incurred deviation to the value of **R 6 775 303.67** which were submitted to council for noting . The Municipality has been complying with regulation 36 and has kept the register for all deviations recored for the year.

Moses Kotane Local Municipality

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Financial Statements for the year ended 30 June 2014

Notes to the Financial Statements

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42. Assets subject to restrictions

**Moses Kotane Local Municipality
Appendix A**

Schedule of external loans as at 30 June 2014

Loan Number	Redeemable	Balance at 30 June 2013	Received during the period	Redeemed written off during the period	Balance at 30 June 2014	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand	Rand	Rand
Loan Stock							
PMU	78651917	49,414	-	49,414	-	-	-
Water	78651992	24,451	-	24,451	-	-	-
Office of the Speaker	78652018	75,185	-	75,185	-	-	-
Water	78652042	67,977	-	67,977	-	-	-
Roads and Stormwater	78652069	58,874	-	58,874	-	-	-
Water	78652174	67,977	-	67,977	-	-	-
Council General Expenditure	78652263	117,900	-	117,900	-	-	-
Traffic	78652280	48,114	-	48,114	-	-	-
Council General Expenditure	78652298	122,048	-	122,048	-	-	-
Traffic	78652344	48,114	-	48,114	-	-	-
Traffic	78652417	62,837	-	62,837	-	-	-
Water	78652522	30,108	-	30,108	-	-	-
Transport	78652611	117,579	-	117,579	-	-	-
Cemetery	78652743	58,874	-	58,874	-	-	-
Transport	78652832	30,108	-	30,108	-	-	-
Transport	78652891	58,874	-	58,874	-	-	-
Roads and Stormwater	78652905	58,874	-	58,874	-	-	-
Roads and Stormwater	78652999	30,099	-	30,099	-	-	-
Transport	78653006	58,874	-	58,874	-	-	-
Transport	78653030	58,874	-	58,874	-	-	-
Transport	78653146	30,108	-	30,108	-	-	-
Transport	78653430	29,770	-	29,770	-	-	-
Transport	78653588	30,108	-	30,108	-	-	-
Transport	78654916	30,108	-	30,108	-	-	-
Transport	78655114	30,108	-	30,108	-	-	-
Transport	78655262	42,286	-	42,286	-	-	-
Roads and Stormwater	78671136	368,233	-	368,233	-	-	-
Council General Expenditure	78671314	48,101	-	48,101	-	-	-
Transport	84312539	-	206,797	30,306	176,491	-	-
Transport	84312652	-	206,797	30,306	176,491	-	-
Transport	84312784	-	206,797	30,306	176,491	-	-
Transport	84312962	-	206,797	30,306	176,491	-	-

**Moses Kotane Local Municipality
Appendix A**

Schedule of external loans as at 30 June 2014

	Loan Number	Redeemable	Balance at 30 June 2013	Received during the period	Redeemed written off during the period	Balance at 30 June 2014	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
			Rand	Rand	Rand	Rand	Rand	Rand
Transport	84312989		-	206,797	30,306	176,491	-	-
Transport	84313128		-	206,797	30,306	176,491	-	-
Transport	84313357		-	206,797	30,306	176,491	-	-
Transport	84314620		-	206,881	30,319	176,562	-	-
Transport	84314850		-	330,695	48,464	282,231	-	-
Transport	84314906		-	206,881	30,319	176,562	-	-
Transport	84314981		-	222,606	32,623	189,983	-	-
Transport	84315023		-	330,695	48,464	282,231	-	-
Transport	84315180		-	330,695	48,464	282,231	-	-
Transport	84315210		-	373,659	54,761	318,898	-	-
Transport	84315317		-	206,881	30,319	176,562	-	-
Transport	84315392		-	330,695	48,464	282,231	-	-
Transport	84315422		-	206,881	30,319	176,562	-	-
Transport	84315520		-	206,881	30,319	176,562	-	-
Transport	84315597		-	206,881	30,319	176,562	-	-
Transport	84315759		-	206,881	30,319	176,562	-	-
Transport	84315830		-	206,881	30,319	176,562	-	-
Transport	84315937		-	206,881	30,319	176,562	-	-
Transport	84316038		-	206,881	30,319	176,562	-	-
Transport	84316437		-	206,881	30,319	176,562	-	-
Mayoral House	8065717250		1,343,326	-	50,703	1,292,623	-	-
Extention of Civic Centre			11,405,641	-	780,359	10,625,282	-	-
			14,602,944	5,642,315	3,511,930	16,733,329	-	-
Development Bank of South Africa								
Roads and Bridges			6,889,940	-	337,256	6,552,684	-	-
Streetlights - Sun City			5,602,820	-	275,937	5,326,883	-	-
Streetlights - Mabele-a-Podi and Mogwase			3,310,134	-	286,632	3,023,502	-	-
Water			21,922,265	-	1,341,936	20,580,329	-	-
			37,725,159	-	2,241,761	35,483,398	-	-

Moses Kotane Local Municipality
Appendix A

Schedule of external loans as at 30 June 2014

Loan Number	Redeemable	Balance at 30 June 2013	Received during the period	Redeemed written off during the period	Balance at 30 June 2014	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand	Rand	Rand
Other loans							
Civic Centre		8,083,628	-	1,397,386	6,686,242	-	-
Civic Centre Ext	50610027704	10,497,191	-	789,499	9,707,692	-	-
Civic Centre Ext	Loan 9078	8,892,438	-	254,652	8,637,786	-	-
Community Halls	18721	2,675,484	-	111,378	2,564,106	-	-
		30,148,741	-	2,552,915	27,595,826	-	-
Total external loans							
Loan Stock		14,602,944	5,642,315	3,511,930	16,733,329	-	-
Development Bank of South Africa		37,725,159	-	2,241,761	35,483,398	-	-
Other loans		30,148,741	-	2,552,915	27,595,826	-	-
		82,476,844	5,642,315	8,306,606	79,812,553	-	-

Moses Kotane Local Municipality
Moses Kotane Local Municipality
Appendix B

Analysis of property, plant and equipment as at 30 June 2014
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Under construction Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	8,423,049	4,402,100	-	-	-	-	12,825,149	-	-	-	-	-	-	12,825,149
Buildings (Separate for AFS purposes)	53,045,978	-	-	-	-	27,934,370	80,980,348	(7,648,672)	-	-	(1,429,287)	-	(9,077,959)	71,902,389
	61,469,027	4,402,100	-	-	-	27,934,370	93,805,497	(7,648,672)	-	-	(1,429,287)	-	(9,077,959)	84,727,538
Infrastructure														
Roads, Pavements & Bridges	466,558,665	9,389,091	-	-	-	52,932,089	528,879,845	(251,575,256)	-	-	(27,026,219)	(127,429)	(278,728,904)	250,150,941
Street lightning	67,568,358	-	-	-	-	27,519,192	95,087,550	(7,767,833)	-	-	(1,647,666)	-	(9,415,499)	85,672,051
Water Reticulation	347,560,755	-	-	-	-	1,855,469	349,416,224	(149,517,212)	-	-	(9,563,936)	-	(159,081,148)	190,335,076
Water Boreholes	38,979,706	-	-	-	-	-	38,979,706	(21,458,919)	-	-	(2,651,321)	-	(24,110,240)	14,869,466
Water pumps	4,347,195	-	-	-	-	-	4,347,195	(2,821,176)	-	-	(178,400)	-	(2,999,576)	1,347,619
Water reservoirs	81,339,274	-	-	-	-	-	81,339,274	(26,286,048)	-	-	(3,191,664)	-	(29,477,712)	51,861,562
Water bulk pipelines	201,060,139	-	-	-	-	6,516,585	207,576,724	(130,279,711)	-	-	(5,069,420)	-	(135,349,131)	72,227,593
Water Treatment works	9,831,189	-	-	-	-	-	9,831,189	(5,306,869)	-	-	(459,735)	-	(5,766,604)	4,064,585
Sewer Main and purification plant	86,180,059	-	-	-	-	18,667,933	104,847,992	(35,588,298)	-	-	(1,917,173)	-	(37,505,471)	67,342,521
Refuse removal	29,107,193	-	-	-	-	1,834,744	30,941,937	(15,002,702)	-	-	(756,321)	-	(15,759,023)	15,182,914
	1,332,532,533	9,389,091	-	-	-	109,326,012	1,451,247,636	(645,604,024)	-	-	(52,461,855)	(127,429)	(698,193,308)	753,054,328
Community Assets														
Parks & gardens	6,258,668	-	-	-	-	-	6,258,668	(2,282,668)	-	-	191,124	-	(2,091,544)	4,167,124
Civic Building	41,823,652	8,351,179	-	-	-	5,388,586	55,563,417	(10,578,090)	-	-	(1,431,700)	(205,940)	(12,215,730)	43,347,687
Libraries	6,926,275	-	-	-	-	436,861	7,363,136	(1,054,665)	-	-	(120,949)	-	(1,175,614)	6,187,522
Recreational grounds	25,260,639	-	-	-	-	94,550	25,355,189	(6,990,914)	-	-	(1,680,416)	-	(8,671,330)	16,683,859
Cementries	8,395,654	-	-	-	-	-	8,395,654	(1,633,152)	-	-	(390,630)	-	(2,023,782)	6,371,872
	88,664,888	8,351,179	-	-	-	5,919,997	102,936,064	(22,539,489)	-	-	(3,432,571)	(205,940)	(26,178,000)	76,758,064

Moses Kotane Local Municipality
Moses Kotane Local Municipality
Appendix B

Analysis of property, plant and equipment as at 30 June 2014
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Under construction Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Buildings	14,000	-	-	-	-	-	14,000	-	-	-	-	-	-	14,000
	14,000	-	-	-	-	-	14,000	-	-	-	-	-	-	14,000
Specialised vehicles														
Other assets														
General vehicles	32,528,069	1,282,508	-	-	-	-	33,810,577	(20,325,507)	-	-	680,441	-	(19,645,066)	14,165,511
Plant & equipment	7,492,524	1,816,643	-	-	-	-	9,309,167	(6,000,690)	-	-	(355,671)	-	(6,356,361)	2,952,806
Furniture & Fittings	5,146,338	38,613	-	-	-	-	5,184,951	(3,761,812)	-	-	(195,764)	-	(3,957,576)	1,227,375
Office Equipment	7,668,922	228,173	-	-	-	-	7,897,095	(5,696,544)	-	-	(323,279)	-	(6,019,823)	1,877,272
	52,835,853	3,365,937	-	-	-	-	56,201,790	(35,784,553)	-	-	(194,273)	-	(35,978,826)	20,222,964

Moses Kotane Local Municipality
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Analysis of property, plant and equipment as at 30 June 2014
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Under construction Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	61,469,027	4,402,100	-	-	-	27,934,370	93,805,497	(7,648,672)	-	-	(1,429,287)	-	(9,077,959)	84,727,538
Infrastructure	1,332,532,533	9,389,091	-	-	-	109,326,012	1,451,247,636	(645,604,024)	-	-	(52,461,855)	(127,429)	(698,193,308)	753,054,328
Community Assets	88,664,888	8,351,179	-	-	-	5,919,997	102,936,064	(22,539,489)	-	-	(3,432,571)	(205,940)	(26,178,000)	76,758,064
Heritage assets	14,000	-	-	-	-	-	14,000	-	-	-	-	-	-	14,000
Other assets	52,835,853	3,365,937	-	-	-	-	56,201,790	(35,784,553)	-	-	(194,273)	-	(35,978,826)	20,222,964
	1,535,516,301	25,508,307	-	-	-	143,180,379	1,704,204,987	(711,576,738)	-	-	(57,517,986)	(333,369)	(769,428,093)	934,776,894
Agricultural/Biological assets														
Intangible assets														
Investment properties														
Total														
Land and buildings	61,469,027	4,402,100	-	-	-	27,934,370	93,805,497	(7,648,672)	-	-	(1,429,287)	-	(9,077,959)	84,727,538
Infrastructure	1,332,532,533	9,389,091	-	-	-	109,326,012	1,451,247,636	(645,604,024)	-	-	(52,461,855)	(127,429)	(698,193,308)	753,054,328
Community Assets	88,664,888	8,351,179	-	-	-	5,919,997	102,936,064	(22,539,489)	-	-	(3,432,571)	(205,940)	(26,178,000)	76,758,064
Heritage assets	14,000	-	-	-	-	-	14,000	-	-	-	-	-	-	14,000
Other assets	52,835,853	3,365,937	-	-	-	-	56,201,790	(35,784,553)	-	-	(194,273)	-	(35,978,826)	20,222,964
	1,535,516,301	25,508,307	-	-	-	143,180,379	1,704,204,987	(711,576,738)	-	-	(57,517,986)	(333,369)	(769,428,093)	934,776,894

Moses Kotane Local Municipality
Moses Kotane Local Municipality
Appendix B

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
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Land and buildings
 Infrastructure
 Community Assets

Moses Kotane Local Municipality
Moses Kotane Local Municipality
Appendix B

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets													
Specialised vehicles													
Other assets													

Heritage assets
Specialised vehicles
Other assets

Moses Kotane Local Municipality
Moses Kotane Local Municipality
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Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Total property plant and equipment
Agricultural/Biological assets
Intangible assets
Investment properties
Total

Moses Kotane Local Municipality
Appendix D

Segmental Statement of Financial Performance for the year ended
Prior Year **Current Year**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
323,717,502	111,166,687	212,550,815	Executive & Council/Mayor and Council	376,204,231	128,342,631	247,861,600
660,897	43,779,834	(43,118,937)	Finance & Admin/Finance	404,216	49,483,241	(49,079,025)
147,273	12,092,450	(11,945,177)	Planning and Development/Economic Development/Plan	181,969	11,666,952	(11,484,983)
423,580	3,174,653	(2,751,073)	Comm. & Social/Libraries and archives	596,004	4,847,613	(4,251,609)
7,709,050	15,976,145	(8,267,095)	Public Safety/Police	2,620,200	14,069,575	(11,449,375)
-	10,411,291	(10,411,291)	Sport and Recreation	-	12,077,733	(12,077,733)
30,399,126	25,410,350	4,988,776	Waste Water Management/Sewerage	20,924,853	21,454,301	(529,448)
816,709	46,930,047	(46,113,338)	Road Transport/Roads	1,296,574	45,384,634	(44,088,060)
151,211,997	124,860,475	26,351,522	Water/Water Distribution	148,487,621	143,046,375	5,441,246
515,086,134	393,801,932	121,284,202		550,715,668	430,373,055	120,342,613
Municipal Owned Entities						
Other charges						
515,086,134	393,801,932	121,284,202	Municipality	550,715,668	430,373,055	120,342,613
515,086,134	393,801,932	121,284,202	Total	550,715,668	430,373,055	120,342,613

Moses Kotane Local Municipality
Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
FMG	National Government	1,550	-	-	-	-	155	104	41	1,250	-	-	-	-	-	-	-	No	
MSIG		890	-	-	-	-	13	-	612	265	-	-	-	-	-	-	-		
EPWP		954	716	716	-	-	407	526	20	1,433	-	-	-	-	-	-	-		
Water Refurbishment		5,300	-	-	-	-	-	1,785	-	1,334	-	-	-	-	-	-	-		
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		8,694	716	716	-	-	575	2,415	673	4,282	-	-	-	-	-	-	-		

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

**Appendix G1
Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2014**

	2014/2013							2013/2012							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue - Standard															
Governance and administration	228,986,416	227,256,416	456,242,832	-		456,242,832	376,608,447		(79,634,385)	83 %	164 %				324,378,399
Executive and council	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Budget and treasury office	228,066,416	226,336,416	454,402,832	-		454,402,832	376,204,231		(78,198,601)	83 %	165 %				323,717,502
Corporate services	920,000	920,000	1,840,000	-		1,840,000	404,216		(1,435,784)	22 %	44 %				660,897
Community and public safety	3,520,000	3,520,000	7,040,000	-		7,040,000	3,216,204		(3,823,796)	46 %	91 %				8,132,630
Community and social services	20,000	20,000	40,000	-		40,000	596,004		556,004	1,490 %	2,980 %				423,580
Sport and recreation	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Public safety	3,500,000	3,500,000	7,000,000	-		7,000,000	2,620,200		(4,379,800)	37 %	75 %				7,709,050
Housing	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Health	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Economic and environmental services	4,700,000	2,634,342	7,334,342	-		7,334,342	1,478,543		(5,855,799)	20 %	31 %				963,982
Planning and development	200,000	200,000	400,000	-		400,000	181,969		(218,031)	45 %	91 %				147,273
Road transport	4,500,000	2,434,342	6,934,342	-		6,934,342	1,296,574		(5,637,768)	19 %	29 %				816,709
Environmental protection	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Trading services	158,930,480	158,930,480	317,860,960	-		317,860,960	169,412,474		(148,448,486)	53 %	107 %				181,611,123
Electricity	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Water	138,140,610	138,140,610	276,281,220	-		276,281,220	148,487,621		(127,793,599)	54 %	107 %				151,211,997
Waste water management	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				7,622,852
Waste management	20,789,870	20,789,870	41,579,740	-		41,579,740	20,924,853		(20,654,887)	50 %	101 %				22,776,274
Other	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Other	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Total Revenue - Standard	396,136,896	392,341,238	788,478,134	-		788,478,134	550,715,668		(237,762,466)	70 %	139 %				515,086,134

Appendix G1
Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2014

	2014/2013							2013/2012							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget (i.t.o. s28 and s31 of the MFMA)	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Expenditure - Standard															
Governance and administration	182,754,008	186,770,008	369,524,016	-	-	369,524,016	177,825,872	-	(191,698,144)	48 %	97 %	-	-	-	154,946,521
Executive and council	75,825,163	79,455,163	155,280,326	-	-	155,280,326	83,930,246	-	(71,350,080)	54 %	111 %	-	-	-	65,800,805
Budget and treasury office	45,855,574	45,891,574	91,747,148	-	-	91,747,148	44,412,385	-	(47,334,763)	48 %	97 %	-	-	-	45,365,882
Corporate services	61,073,271	61,423,271	122,496,542	-	-	122,496,542	49,483,241	-	(73,013,301)	40 %	81 %	-	-	-	43,779,834
Community and public safety	35,505,609	35,005,609	70,511,218	-	-	70,511,218	30,994,921	-	(39,516,297)	44 %	87 %	-	-	-	29,562,089
Community and social services	4,607,701	4,607,701	9,215,402	-	-	9,215,402	4,847,613	-	(4,367,789)	53 %	105 %	-	-	-	3,174,653
Sport and recreation	14,009,184	13,709,184	27,718,368	-	-	27,718,368	12,077,733	-	(15,640,635)	44 %	86 %	-	-	-	10,411,291
Public safety	16,888,724	16,688,724	33,577,448	-	-	33,577,448	14,069,575	-	(19,507,873)	42 %	83 %	-	-	-	15,976,145
Housing	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Economic and environmental services	74,370,362	74,388,705	148,759,067	-	-	148,759,067	57,051,586	-	(91,707,481)	38 %	77 %	-	-	-	59,022,497
Planning and development	18,193,821	17,907,821	36,101,642	-	-	36,101,642	11,666,952	-	(24,434,690)	32 %	64 %	-	-	-	12,092,450
Road transport	56,176,541	56,480,884	112,657,425	-	-	112,657,425	45,384,634	-	(67,272,791)	40 %	81 %	-	-	-	46,930,047
Environmental protection	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Trading services	162,119,748	159,319,748	321,439,496	-	-	321,439,496	164,500,676	-	(156,938,820)	51 %	101 %	-	-	-	150,270,826
Electricity	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Water	141,592,205	140,292,205	281,884,410	-	-	281,884,410	143,046,375	-	(138,838,035)	51 %	101 %	-	-	-	124,860,475
Waste water management	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	4,695,794
Waste management	20,527,543	19,027,543	39,555,086	-	-	39,555,086	21,454,301	-	(18,100,785)	54 %	105 %	-	-	-	20,714,557
Other	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Total Expenditure - Standard	454,749,727	455,484,070	910,233,797	-	-	910,233,797	430,373,055	-	(479,860,742)	47 %	95 %	-	-	-	393,801,933
Surplus/(Deficit) for the year	(58,612,831)	(63,142,832)	(121,755,663)	-	-	(121,755,663)	120,342,613	-	242,098,276	(99)%	(205)%	-	-	-	121,284,201

**Appendix G3
Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2014**

	2014/2013							2013/2012							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue By Source															
Property rates	34,946,416	34,946,416	69,892,832	-		69,892,832	35,786,997		(34,105,835)	51 %	102 %				33,594,664
Property rates - penalties & collection charges	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Service charges - electricity revenue	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Service charges - water revenue	79,956,150	79,956,150	159,912,300	-		159,912,300	89,690,688		(70,221,612)	56 %	112 %				71,912,646
Service charges - sanitation revenue	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Service charges - refuse revenue	5,336,870	5,336,870	10,673,740	-		10,673,740	5,471,853		(5,201,887)	51 %	103 %				4,776,274
Service charges - other	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Rental of facilities and equipment	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Interest earned - external investments	9,800,000	9,800,000	19,600,000	-		19,600,000	10,430,891		(9,169,109)	53 %	106 %				11,786,982
Interest earned - outstanding debtors	15,000,000	15,000,000	30,000,000	-		30,000,000	17,570,193		(12,429,807)	59 %	117 %				11,808,484
Dividends received	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Fines	3,500,000	3,500,000	7,000,000	-		7,000,000	2,620,200		(4,379,800)	37 %	75 %				7,709,050
Licences and permits	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Agency services	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Transfers recognised - operational	253,132,000	249,336,342	502,468,342	-		502,468,342	250,525,591		(251,942,751)	50 %	99 %				243,456,709
Other revenue	2,246,000	2,246,000	4,492,000	-		4,492,000	943,189		(3,548,811)	21 %	42 %				759,891
Gains on disposal of PPE	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				463,396
Total Revenue (excluding capital transfers and contributions)	403,917,436	400,121,778	804,039,214	-		804,039,214	413,039,602		(390,999,612)	51 %	102 %				386,268,096

**Appendix G3
Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2014**

	2014/2013										2013/2012				
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget (i.t.o. s28 and s31 of the MFMA)	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Expenditure By Type															
Employee related costs	57,072,084	56,372,084	113,444,168	-	-	113,444,168	50,261,652	-	(63,182,516)	44 %	88 %	-	-	-	41,420,177
Remuneration of councillors	18,143,537	18,143,537	36,287,074	-	-	36,287,074	18,178,882	-	(18,108,192)	50 %	100 %	-	-	-	16,894,858
Debt impairment	46,174,053	46,174,053	92,348,106	-	-	92,348,106	60,070,570	-	(32,277,536)	65 %	130 %	-	-	-	48,895,182
Depreciation & asset impairment	86,690,854	86,690,854	173,381,708	-	-	173,381,708	59,035,914	-	(114,345,794)	34 %	68 %	-	-	-	62,000,646
Finance charges	9,465,484	9,465,484	18,930,968	-	-	18,930,968	8,264,991	-	(10,665,977)	44 %	87 %	-	-	-	8,632,561
Bulk purchases	42,510,000	42,510,000	85,020,000	-	-	85,020,000	43,480,345	-	(41,539,655)	51 %	102 %	-	-	-	40,098,343
Other materials	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Contracted services	25,079,000	25,079,000	50,158,000	-	-	50,158,000	24,526,081	-	(25,631,919)	49 %	98 %	-	-	-	20,319,267
Transfers and grants	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Other expenditure	300,772,897	310,747,210	611,520,107	-	-	611,520,107	252,117,328	-	(359,402,779)	41 %	84 %	-	-	-	267,778,177
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Total Expenditure	585,907,909	595,182,222	1,181,090,131	-	-	1,181,090,131	515,935,763	-	(665,154,368)	44 %	88 %	-	-	-	506,039,211
Surplus/(Deficit)	(181,990,473)	(195,060,444)	(377,050,917)	-	-	(377,050,917)	(102,896,161)	-	274,154,756	27 %	57 %	-	-	-	(119,771,115)
Transfers recognised - capital	2,386,000	2,386,000	4,772,000	-	-	4,772,000	146,661,841	-	141,889,841	3,073 %	6,147 %	-	-	-	127,584,915
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(179,604,473)	(192,674,444)	(372,278,917)	-	-	(372,278,917)	43,765,680	-	416,044,597	(12)%	(24)%	-	-	-	7,813,800
Taxation	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Surplus/(Deficit) after taxation	(179,604,473)	(192,674,444)	(372,278,917)	-	-	(372,278,917)	43,765,680	-	416,044,597	(12)%	(24)%	-	-	-	7,813,800
Attributable to minorities	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Surplus/(Deficit) attributable to municipality	(179,604,473)	(192,674,444)	(372,278,917)	-	-	(372,278,917)	43,765,680	-	416,044,597	(12)%	(24)%	-	-	-	7,813,800
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Surplus/(Deficit) for the year	(179,604,473)	(192,674,444)	(372,278,917)	-	-	(372,278,917)	43,765,680	-	416,044,597	(12)%	(24)%	-	-	-	7,813,800

Moses Kotane Local Municipality
Appendix G5
Budgeted Cash Flows
for the year ended 30 June 2014

2014/2013

2013

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Final Budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Cash flow from operating activities									
Receipts									
Ratepayers and other	338,729,653	613,056,337	951,785,990	951,785,990	873,171,559	(78,614,431)	92 %	258 %	939,585,135
Government - operating	-	249,336,342	249,336,342	249,336,342	250,525,591	1,189,249	100 %	DIV/0 %	243,456,709
Government - capital	-	2,386,000	2,386,000	2,386,000	146,661,841	144,275,841	6,147 %	DIV/0 %	127,584,915
Interest	-	24,800,000	24,800,000	24,800,000	28,001,084	3,201,084	113 %	DIV/0 %	23,595,467
Dividends	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Payments									
Suppliers and employees	672,598,763	691,338,560	1,363,937,323	1,363,937,323	560,131,708	(803,805,615)	41 %	83 %	580,723,893
Finance charges	-	9,465,484	9,465,484	9,465,484	8,264,991	(1,200,493)	87 %	DIV/0 %	8,632,561
Transfers and Grants	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Net cash flow from/used operating activities	1,011,328,416	1,590,382,723	2,601,711,139	2,601,711,139	1,866,756,774	(734,954,365)	72 %	185 %	1,923,578,680
Cash flow from investing activities									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	DIV/0 %	DIV/0 %	463,396
Decrease (increase) in non-current debtors	-	-	-	-	24,948	24,948	DIV/0 %	DIV/0 %	13,429
Decrease (increase) other non-current receivables	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Decrease (increase) in non-current investments	14,184,859	30,369,718	44,554,577	44,554,577	94,976,245	50,421,668	213 %	670 %	3,656,357
Payments									
Capital assets	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Net cash flow from/used investing activities	14,184,859	30,369,718	44,554,577	44,554,577	95,001,193	50,446,616	213 %	670 %	4,133,182
Cash flow from financing activities									
Receipts									
Short term loans	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Borrowing long term/refinancing	-	-	-	-	4,562,784	4,562,784	DIV/0 %	DIV/0 %	720,412
Increase (decrease) in consumer deposits	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Payments									
Repayment of borrowing	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Net cash flow from/used financing activities	-	-	-	-	4,562,784	4,562,784	DIV/0 %	DIV/0 %	720,412
Net increase/(decrease) in cash held	1,025,513,275	1,620,752,441	2,646,265,716	2,646,265,716	1,966,320,751	(679,944,965)	74 %	192 %	1,928,432,274
Cash/cash equivalents at the year begin:									-
Cash/cash equivalents at the year end:	1,025,513,275	1,620,752,441	2,646,265,716	2,646,265,716	1,966,320,751	(679,944,965)	74 %	192 %	

Moses Kotane Local Municipality

(Demarcation code NW375)

Financial Statements for the year ended 30 June 2014

Supplementary Information

MOSES KOTANE LOCAL MUNICIPALITY		
APPENDIX F		
STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2014		
General statistics	2014	2013
Population	236,845	236,845
Registered voters	116,000	116,000
Valuation date: January 2012 with effect from 1 July 2012		
Total valuations	3,779,601,000	4,388,522,500
Assessment rates		
Calculated on the improved value of the property		
Residential	0.00096	0.000910
Less 17,000 on valuation		Less 17,000 on valuation
plus a rebate of 20% if developed		plus a rebate of 20% if developed
Mining	0.06283	0.05928
Commercial	0.01937	0.01828
Other properties and right in land		
Sun City	0.03267	0.03083
Government properties and Tertiary Inst	0.03524 less 20%	0.03334 less 20%
Industrial	0.00779	0.07350
Number of properties		
Residential	4,426	3,242
Commercial	131	131
Churches	18	36
Service charges: (Per site)		
Refuse Removal		
Residential Madikwe	22.26 plus VAT	20.24 plus VAT
Commercial Madikwe	44.53 plus VAT	40.48 plus VAT
Residential Mogwase	22.26 plus VAT	20.24 plus VAT
Commercial Mogwase	44.53 plus VAT	40.48 plus VAT
Sewerage		
Residential Madikwe	22.26 plus VAT	19.50 plus VAT
Commercial Madikwe	44.53 plus VAT	39.00 plus VAT
Residential Mogwase	22.26 plus VAT	19.50 plus VAT
Commercial Mogwase	44.53 plus VAT	39.00 plus VAT
Industries	5.25 on 60% of water consumed	4.24 on 60% of water consumed
Water		
Residential	0 to 6kl Free of Charge	0 to 6kl Free of Charge
	6.1 to 45kl 11.13	6.1 to 45kl 10.12
	45.1 kl and above 12.8	45.1 kl and above 11.6
Small Business and State Department	0 to 45 kl 11.13	0 to 45 kl 10.12
	45.1 kl and above 13.33	45.1 kl and above 12.12
Bulk Consumers	8.39 per kl	7.63 per kl
Industrial and large consumers	11.50 per kl	10.45 per kl
All water tariffs are excluding VAT		
Water Statistics		
Number of users	20,790	25,643
KI Purchased	10,674,239	12,573,449
KI Sold	9,233,891.00	9,336,335
Free basic KI	1,069,318.00	1,063,767
KI Lost in distribution	2,073,946.00	2,173,347
Percentage lost in distribution	19	17
Cost per kl bought	3.3724	3.384
Loss in distribution	7,723,374.90	7,354,606
Cost per kl sold	16.62	8.03
Income per kl sold	9.19	6.05
Number of employees		399
Number of councillors	62	62

Moses Kotane Local Municipality

(Demarcation code NW375)

Financial Statements for the year ended 30 June 2014

Supplementary Information

Councillor	Position	2013/14 Tabled Package	Telephone Allowance	Data Facility	15% Pension	Medical	Travel Allowance	Salary	Total Package Data Facility	Note
MOKATI-THEBE F	Mayor	677,826	0	3,600	62,213	17,280	169,457	428,876	681,426.00	
DIALE R.A	Speaker	542,261	20,868	3,600	51,573		135,566	355,122	566729.00	
Nkotswe M.N	Executive	508,370	20,868	3,600	46,097	17,280	127,092	317,901	532838.00	
Tshethane D.R	Executive	508,370	20,868	3,600	46,097	17,280	127,092	317,901	532838.00	
Motshabi C.N	Executive	508,370	20,868	3,600	46,398	14,972	127,092	319,908	532838.00	
Setou A.B	Executive	508,370	20,868	3,600	46,097	17,280	127,092	317,901	532838.00	
Lesele K	Executive	508,370	20,868	3,600	48,351		127,092	332,927	532838.00	
Manganye T	Executive	508,370	20,868	3,600	48,351		127,092	332,927	532838.00	
Mashimo	Executive	508,370	20,868	3,600	48,351		127,092	332,927	532838.00	
Tlabyane D.R	Executive	508,370	20,868	3,600	46,097	17,280	127,092	317,901	532838.00	
Motshegwe K	Executive	508,370	20,868	3,600	48,351		127,088	332,931	532838.00	
Vava S.S	MPAC CHAIR	474,478	20,868	3,600	45,528		118,620	310,330	498946.00	
Matshaba M.Z	WHIP	508,370	20,868	3,600	46,097	17,280	127,092	317,901	532838.00	
Deleki N	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Ndlovu H	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
Khunou M.K	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Leflape A.T	Councillor	203,348	20,868	3,600	16,950	18,324	50,837	117,237	227816.00	
Lephoto E.T	Councillor	203,348	20,868	3,600	19,339		50,837	133,172	227816.00	
Leoto D.M	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Lukhele R.M	Councillor	203,348	20,868	3,600	17,517	13,979	50,837	121,015	227816.00	
Magodielo M.A	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Makgothi M.S	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Manganye S.M	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Bili L.H	Councillor	203,348	13,860	2,700	14,604		38,330	106,612	219908.00	Replace
Mashishi S. N	Councillor	203,348	20,868	3,600	17,517	13,979	50,837	121,015	227816.00	
Matlapeng S.S	Councillor	203,348	20,868	3,600	17,517	13,979	50,837	121,015	227816.00	
Mekgwe J.D	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Kapari L.L	Councillor	203,348	12,339	2,558	13,025		37,546	81,865	218245.00	Replace
Mkhandawiri P.P	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Mngomezulu P. P	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Moate L	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Moatshe G.D	Councillor	203,348	20,868	3,600	16,950	18,324	50,837	117,237	227816.00	
Mokgathe M.M	Councillor	203,348	20,868	3,600	17,161	16,711	50,837	118,639	227816.00	
Moloi F	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
Monyatsi V	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
Monnakgotla T	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
Selotlego J	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
Moraape S.S	Councillor	203,348	20,868	3,600	17,760	12,117	50,837	122,634	227816.00	
Moeng T.J	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Morua E.G	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
Motshegoe D.M	Councillor	203,348	20,868	3,600	17,161	16,711	50,837	118,639	227816.00	
Mothaga P.R	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Nhlapo L.	Councillor	203,348	20,868	3,600	17,387	14,973	50,837	120,151	227816.00	
Ramapotoka G	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Motsoenyane M.Z	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Matshereng E	Councillor	203,348	20,868	3,600	16,635	20,736	50,837	115,140	227816.00	
Moyo D.F	Councillor	203,348	20,868	3,600	18,589	5,760	50,837	128,162	227816.00	
Masilo J	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Nondzaba M	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
J Maretele	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
Pele J.M	Councillor	203,348	20,868	3,600	18,989	2,691	50,837	130,831	227816.00	
Rasepae M.D	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Pheto M.R	Councillor	203,348	20,868	3,600	17,086	17,280	50,837	118,145	227816.00	
Ntshabele S	Councillor	203,348	20,868	3,600	17,470	14,332	50,837	120,709	227816.00	
Radiokana J.M	Councillor	203,348	20,868	3,600	17,161	16,711	50,837	118,639	227816.00	
Ramokoka A.R	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Sekao H.B	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Sekhu S.K	Councillor	203,348	20,868	3,600	18,777	4,320	50,837	129,414	227816.00	
Sitha M.L	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Tau D.D	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Thusi M.B	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
Tshite L.M.J	Councillor	203,348	20,868	3,600	19,340		50,837	133,171	227816.00	
SEKONYA E	COUNCILLOR	203348	2810	816	4,294		10,974	28629	206974.00	Terminated